

2000 Social Security Information

Tax Rate*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)
Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)
* Social Security tax for employers and self-employed can be partially offset under income tax rules.

Maximum Taxable Earnings Base: OASDI-- \$76,200; HI-- No limit

Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>
Employee/employer:	\$4,724.40	No limit
Self-employed:	9,448.80	No limit

<u>OASDI Workers Covered (in millions, est):</u>	<u>Wages</u>	<u>Self-employed</u>	<u>Combined</u>
	144.1	14.9	153.0

Percent of workers who are covered: 96%

Estimated Worker/Beneficiary Ratio: 2000: 3.4 to 1 2034: 2.0 to 1

Earnings Required for a Quarter of Coverage: \$780; (\$3,120 for four)

Retirement Test Exempt Amounts:

--Age 65-69: \$17,000 annually, \$1,417 monthly (\$1 for \$3 withholding rate)
--Under age 65 \$10,080 annually, \$840 monthly (\$1 for \$2 withholding rate)

Supplementary Medical Insurance Premium: \$45.50

Substantial Gainful Activity: \$700/mo. nonblind, disabled (eff 7/1/99);
\$1,170/mo. blind

Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2000)

Primary Insurance Amount (PIA) OASI Maximum Family Benefit (MFB)

90% of first \$531 of AIME, plus 150% of first \$679 of PIA, plus
32% of AIME over \$531 thru \$3,202, plus 272% of PIA over \$679 thru \$980, plus
15% of AIME over \$3,202 134% of PIA over \$980 thru \$1,278, plus
175% of PIA over \$1,278

(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)

<u>Average Monthly Benefits:</u>	<u>12/97</u>	<u>12/98</u>	<u>12/99</u>
Retired worker:	\$ 765	\$ 780	\$804
Retired worker and aged spouse:	1,288	1,310	1,348
Disabled worker:	722	733	754
Disabled worker, spouse and children:	1,197	1,219	1,256
Aged widow(er):	731	749	775
Widowed mother/father and 2 children:	1,509	1,542	1,596

<u>Benefits for Jan. 2000 Retirees:</u>	<u>Age 62</u>		<u>Age 65</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Low earner (45% of avg. wages)	\$ 654.50	\$ 518	\$ 597.90	\$ 597
Average earner	1,078.20	853	987.20	987
Maximum earner	1,568.50	1,241	1,433.90	1,433

Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Low earner (45% of avg. wages):	56%
Average earner:	42%
Maximum earner:	28%

Full-Benefit Retirement Age Schedule - by Year of Birth

1938 - 65/2 mos.		1942 - 65/10 mos.		1957 - 66/6 mos.
1939 - 65/4 mos.		1943-54 -66		1958 - 66/8 mos.
1940 - 65/6 mos.		1955 - 66/2 mos.		1959 - 66/10 mos.
1941 - 65/8 mos.		1956 - 66/4 mos.		1960+ - 67

Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	32,000 - 44,000	Joint
up to 85%	\$34,000 +	Individual
	44,000 +	Joint

Average Wage Level: 1998: \$28,861; 1999: \$29,732 (est.)

Age-72 Payments (December 1999):

	<u>Transitionally Insured (Byrnes)</u>	<u>Special-Age 72 Payment (Prouty)</u>
Individual:	210.60	210.60
Couple:	315.80	421.20

Minimum PIA: Generally eliminated for workers eligible after 1981.

Special Minimum PIA (12/99):

Approximately \$29.03 per year of coverage over 10 years; highest special minimum PIA equals \$580.60 based on 30 years of coverage.

<u>Minimum Earnings for Year of Coverage:</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
--Special Minimum:	\$7,605	\$8,055	\$8,505
--Windfall Elimination Provision:	\$12,675	\$13,425	\$14,175

Number of OASDI Beneficiaries (as of 12/99):

--Total OASDI beneficiaries:	44.6 million
--Retired workers and family members:	31.0 million
-Retired workers:	27.8 million
-Spouses:	2.8 million
-Children:	0.4 million
--Survivors of deceased workers:	7.0 million
-Aged surviving spouses:	4.7 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	6.5 million
-Disabled workers:	4.9 million
-Spouses:	0.2 million
-Children:	1.5 million

Number of OASDI Children Beneficiaries (12/99):

--Total:	3,794,795
-Children under age 18:	2,970,039
-Students aged 18-19:	104,230
-Disabled Children aged 18 or older:	720,526

Trust Fund Operations (in billions):

<u>Calendar Year</u>	<u>Fund</u>	<u>Income</u>	<u>Outgo</u>	<u>Fund at End of Year</u>
1998	OASI	\$425	\$332	\$682
	DI	64	50	81
1999(est.)	OASI	\$456	\$340	\$797
	DI	69	53	97

<u>OASDI Administrative Expenses (CY 1999):</u>	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Estimated Amount (in millions)	\$1,909	\$1,496	\$3,405
Percent of Benefit Payments	0.6%	2.9%	0.9%

SSI Payment Standard: \$512 individual, \$769 couple (effect. 1/00)

Number of SSI Beneficiaries and Average Payments (11/99):

	<u>Beneficiaries</u>	<u>Average Payments</u>
Total:	6,608,132	\$367.48
Aged	1,316,753	\$288.12
Blind & Disabled	5,291,379	\$387.41

SSI Beneficiaries by Age

Under 18	861,274	\$449.47
Age 18-64	3,718,771	390.40
Age 65 and Over	2,028,087	292.07

SSI Expenditures Fiscal Year 1999 (outlays)

Federal SSI payments	\$28.1 billion
Fed. Administered State Supplements	3.2 billion

Number of people receiving monthly benefits from SSA (11/99):

Total	48.7 million
-OASDI Benefits only	42.1 million
-SSI Benefits only	4.2 million
-OASDI and SSI Benefits Concurrently	2.4 million

<u>Census Bureau Poverty Threshold:</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Aged individual:	\$ 7,525	\$ 7,698	\$ 7,818
Couple, aged head:	9,491	9,712	9,862
Family of four:	16,036	16,400	16,660

- Social Security benefits keep 39% of today's aged beneficiaries out of poverty.

Key dates from 1999 OASDI Trustees Report: (using intermediate assumptions)

- 2013 – OASDI assets peak at 364 percent of expenditures.
- 2014 – Expenditures exceed tax income for the first time since 1983.
- 2022 – OASDI expenditures begin to exceed revenues from all sources, including interest earnings; Trust Fund reserves begin to be drawn down to help pay benefits.
- 2034 – OASDI Trust Fund assets are exhausted. Then-current Social Security taxes would continue to support about three-fourths of the expected benefits.

<u>Social Security Information:</u>	1-800-SSA-1213
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<u>OIG/SSA Fraud Hotline:</u>	1-800-269-0271